

INSIDE ALEC

January 2009 DECEMBER A Publication of the American Legislative Exchange Council

Serving America's
State Legislators:
Principled Solutions
for the Challenges
Facing Your State

SPECIAL LEGISLATIVE MEMBERSHIP ISSUE

The logo for the American Legislative Exchange Council (ALEC) is centered at the top of the page. It features the word "ALEC" in a large, blue, serif font. Above "ALEC", the words "AMERICAN LEGISLATIVE EXCHANGE COUNCIL" are written in a smaller, blue, sans-serif font, with "ALEC" overlapping the middle of the words.

AMERICAN LEGISLATIVE EXCHANGE COUNCIL

Dear Fellow Legislator,

Welcome to a new legislative season! With a new administration in Washington and significant issues facing our nation, there will be many challenges and opportunities in the year ahead.

Whether you are a returning legislator or newly elected, regardless of your party affiliation, the American Legislative Exchange Council is your policy resource. As the nation's largest individual membership association of state legislators, ALEC has been bringing together legislators from all 50 states to learn from each other and share best practices for over 35 years.

Uniquely at ALEC, we welcome the private sector as an equal partner as we work together crafting the best state policy solutions for all Americans. ALEC stands apart from other legislative organizations because we are guided by the principles of free enterprise, limited government, individual liberty, and federalism and offer our members a unique opportunity for the development of a true public-private partnership.

The fair and impartial process that ALEC has developed results in solid model legislation which represents a non-partisan collaborative effort between the public and private sectors. Public policies that increase jobs and employment for our constituents, help improve the quality of education for our children, help reduce crime and keep our neighborhoods safe, help improve access to affordable health care for those in need, and help governments reduce costs, balance their budgets and keep taxes low, should not carry party labels.

ALEC members can tailor these bills to meet their needs and introduce them in their home states, secure in the knowledge that each bill has been thoroughly vetted by their fellow legislators as well as public policy experts from the private sector. Our members can also take comfort in knowing that each ALEC model bill, at its core, remains true to the founding principles of our great nation.

We encourage you to learn more about ALEC and become a member of the nation's largest individual membership association of state legislators.

The time to join ALEC is now!

Sincerely,

A handwritten signature in black ink, appearing to read "W - J Howell".A handwritten signature in black ink, appearing to read "Steve Faris".

Speaker Bill Howell (R)
Speaker of the Virginia House of Delegates
ALEC 2009 National Chairman

Senator Steve Faris (D)
Arkansas Senate Majority Whip
ALEC 2008 National Chairman

SPECIAL ISSUE FOR NEW LEGISLATIVE SESSION

INSIDE *ALEC*

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Budget Crisis in the States: Just Say No to Federal Bailout



Also in this Issue:

The Benefits of Budget Transparency

Unions Push Card Check

Stopping Online Child Predators

Evidence-Based Medicine: Rationing Care, Hurting Patients

ALEC's newest State Factor, "*Evidence-Based Medicine: Rationing Care, Hurting Patients*" serves as an educational tool for legislators faced with policy decisions surrounding "evidence-based medicine" (EBM). Below is an excerpt from the State Factor, written by Citizens' Council on Health Care President Twila Brase.

Evidence is said to be the new bright star of health care. A growing chorus of voices is calling for physicians and other health care clinicians to follow "evidence-based medicine" (EBM) or so-called "best practices." To practice EBM, proponents say doctors must follow evidence-based clinical practice guidelines.

At first glance, this concept seems to make sense. Any term with the word "evidence" automatically confers a sense of scientific authority. Assuming that to be true, the United States Congress and some state legislatures have begun adding "evidence-based" requirements to health care laws. Several laws even link physician payment for medical services to compliance with EBM in an initiative called "pay for performance."

Of concern to patients and doctors, the terms "evidence-based medicine" and "evidence-based guidelines" are often not defined in these laws, access to individualized care is not preserved, and the integrity of medical decisionmaking has not been protected.

Some say EBM is "the development of best health-care practices based on data that show which treatment and protocols work and which do not." Others say EBM-based guidelines are dangerous, outdated, value-laden, politicized, and biased. Claims of health care rationing have also emerged.

This paper will explain the debate surrounding EBM, question the emphasis on evidence and guidelines for medical decisionmaking, demonstrate how EBM harms the doctor-patient relationship and why EBM won't guard against frivolous lawsuits, and describe various iterations of evidence-based medicine being enacted and implemented today—in particular, Medicaid Preferred Drug Lists.

The full report is available on ALEC's website at www.alec.org.

ALEC Calendar

May 1-2, 2009	Spring Task Force Summit	Memphis, TN
July 15-18, 2009	ALEC Annual Meeting	Atlanta, GA
December 2-4, 2009	States & Nation Policy Summit	Washington, D.C.

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Legislative Exchange Council

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ALEC Exhibits & Advertising

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AMERICAN LEGISLATIVE EXCHANGE COUNCIL
ALEC

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1101 Vermont Ave., NW, 11th Floor
Washington, D.C. 20005
(202) 466-3800 • Fax: (202) 466-3801
www.alec.org

Budget Transparency in Mississippi

By Senator Alan Nunnelee

“We might hope to see the finances of the Union as clear and intelligible as a merchant’s books, so that every member of Congress and every man of any kind, and any mind in the Union should be able to comprehend them, to investigate abuses and to consequently control them.”
(Thomas Jefferson 1802)



Thomas Jefferson was a strong advocate for openness in government. He was one of the few founding fathers who argued that the Constitutional Convention of 1787 should not be conducted in secrecy but rather have its deliberations opened to the public. He firmly believed that limited government and individual liberty were tied to the citizenry being knowledgeable about the affairs of their government.

In a letter to Secretary of the Treasury Albert Gallatin, he expressed his views that the finances of the union should be available to everyone “within the limits of our time.”

Two hundred seven years later the limits of our time have changed significantly. Citizens are not restricted by the necessity to attend the seat of government in order to observe the actions and results of their government. The internet has made that information available to people who previously would never have had access to such.

As a way of applying new technology to a time-honored philosophy, the Mississippi Legislature passed the Mississippi Accountability and Transparency Act of 2008. This act puts our state’s checkbook online so that any citizen can see how we’re spending their money. The online information includes not only the amount spent, but also the name and address of each payee and the source of funds and statutory authority to expend those funds.

Finally, we require that an electronic copy of each grant and contract be available online. Once it is fully operational all of this information will be available with keyword search and free of charge.

The most serious objection to passing this act came from a few government bureaucrats who argued that compliance would be too cumbersome and costly. Fortunately these bureaucrats report to Governor Haley Barbour (ALEC Thomas Jefferson Freedom Award – 2006). Governor Barbour strongly supported this legislation and the bureaucratic opposition magically disappeared.

While the legislation has been signed into law, the process of implementing the Accountability and Transparency Act is ongoing. Once fully implemented, Mississippi will have taken a giant step in fulfilling Mr. Jefferson’s dream of making our finances “clear and intelligible” and advancing the cause of individual liberty and limited government.

The link to the web site is: http://www.mmrs.state.ms.us/statewide_applications/Transparency/index.shtml

Alan Nunnelee is Chairman of the Appropriations Committee in the Mississippi Senate. He has been in the Senate since 1995 and has been a member of ALEC since that time. He is a Legacy Member of ALEC and is currently the Mississippi State Chair.





Should Uncle Sam Bailout the States?

By Jonathan Williams

First it was \$700 billion for the financial sector, and now auto industry executives are pounding a path from Detroit to Washington, seeking billions in taxpayer dollars to assist their ailing industry.

The National Governors Association convened a meeting with President-elect Obama in Philadelphia to discuss the economic downturn and lobby for a federal bailout of the states.

There is little question many states are in dire financial straits today. Roughly 41 states faced budget deficits for fiscal year 2009, or are projecting deficits for fiscal year 2010, which starts on July 1 for most states. Analysts are projecting a cumulative deficit of \$97 billion for the states during that period.

While the rosy fiscal times enjoyed by the states over the past few years have clearly disappeared, important questions need to be addressed before rubber stamping a multi-billion dollar bailout of the states: (a) What was the cause of the current budget problems in the states? (b) Should the federal government spend taxpayer dollars to bailout the states in this economic downturn?

States are not facing budget deficits because they don't tax enough. The real problem facing states is the fundamental issue of overspending taxpayer dollars. State spending has grown at an unsustainable rate over the past decade. In fact, state spending is up 124 percent over where it was just 10 years ago, and state debt increased by 95 percent during that same period.

In many cases, the states that are facing the worst fiscal climates are the very same states that engaged in reckless spending. During his recent testimony before the House

Ways and Means Committee in Washington, South Carolina Gov. Mark Sanford noted that, "California increased spending 95 percent over the past 10 years (federal spending went up 71 percent over the same period). To bail out California now seems unfair to fiscally prudent states."

His point is quite germane. Why should taxpayers who live in states that were fiscally responsible subsidize states that were not? Since families and businesses are required to live within their means, it is clearly time for state governments to do so as well.

The federal government should not be in the business of rewarding states that have simply overspent taxpayer dollars. Over the past few years, many states have spent money like drunken sailors. It's not right to expect the American taxpayer to pick up the tab.

As legendary economist Arthur Laffer recently wrote in the Wall Street Journal, "Whenever the government bails someone out of trouble, they always put someone into trouble." In this case, a bailout for the states means trouble for taxpayers.

There is another very good reason why state officials should be worried about a federal bailout. When has the federal government ever given money to the states without countless strings attached?

A study conducted by ALEC during the post 9/11 economic downturn estimated that "every one dollar more of federal assistance increases state and local budget deficits by over 62 cents." It is clear the many strings accompanying federal dollars impose significant burdens on the states.



During his testimony, Sanford urged Congress to “accept that there may be better routes to recovery than a blanket bailout, including offering states like mine more in the way of flexibility and freedom from federal mandates instead of a bag of money with strings attached.”

State budgets have faced financial duress many times before because of overspending, and probably will again in the future. History suggests federal bailouts are not the answer, as they decrease state sovereignty, incentivize future fiscal irresponsibility, and reward fiscally imprudent states at the expense of fiscally responsible states.

Economist Richard Vedder said it best, “In short, federal bailouts are not a solution. They are the equivalent of giving booze to alcoholics – providing at best some temporary respite, but aggravating fundamental problems, in this case overspending.”

Unfortunately, the “do something” disease will continue to plague Washington for the foreseeable future. If this results in spending additional taxpayer dollars to rescue states who mismanaged taxpayer dollars in the first place, it will only spiral them into a cycle of federal dependency, further encouraging fiscal irresponsibility. Let’s hope that is not the case.

Jonathan Williams is director of the Tax and Fiscal Policy Task Force for the American Legislative Exchange Council (ALEC).



Taxpayer Groups Sign Letter Opposing Federal Bailout of the States

“Dear Member of Congress:

Over the past few weeks, you’ve been asked to lend your official support for a new spending plan that would provide bailout funds to states and localities. On behalf of the undersigned grassroots organizations, we urge caution in moving forward with such a plan. State and local government budgets should not be balanced on the backs of federal taxpayers. Doing so would set a horrible precedent, discourage responsible budgeting in the future, and place a greater strain on America’s hard-working families and businesses....”

The complete letter and a list of signers is available online at www.alec.org/am/pdf/nostatebailout.pdf

To add your name to ALEC’s petition opposing the federal bailout of the states, please email Jonathan Williams at jwilliams@alec.org.

Stop Card Check: Let's Not Repeat Economic Mistakes from the Past

By Michael Hough

Recently two economists at UCLA, Harold Cole and Lee Ohanian, released a study concluding that President Franklin D. Roosevelt's economic policies extended the Great Depression by seven years. The study pointed specifically to FDR's policies encouraging collective-bargaining and labor strikes. FDR's policies artificially inflated wages and were mostly to blame for continued high unemployment rates during his presidency. While this may seem like ancient history to some, it is important because our nation may be on the verge of repeating this mistake. President-elect Barack Obama has promised to sign "card-check" legislation, which would dramatically increase union membership at the expense of worker's rights and our nation's economy.

When FDR was inaugurated in 1933 the Great Depression was in its third year and unemployment was at 22.9 percent.¹ FDR enacted the National Industrial Recovery Act, which exempted companies from anti-trust laws if they allowed employees to unionize. This program caused union membership to double, and doubled the number of union work stoppages. According to the UCLA study in 1939, wages in unionized industries were 24 to 33 percent higher than they would have been in the free-market. The end result of these policies was that five years into his presidency unemployment still remained very high, at 17.9 percent.² According to the UCLA study, "the economy was poised for a beautiful recovery, but that recovery was stalled by these misguided policies."³

Now 70 years later our nation is facing another financial crisis and unemployment is on the rise. President-elect Barack Obama may be ready to repeat FDR's mistakes by changing our labor laws in order to increase union membership and thus driving up wages and increasing unemployment. The misnamed "Employee Free Choice Act," or "card-check," legislation would remove the right of workers to vote by secret-ballot election when deciding whether to unionize their workplace. Under card-check, unions would simply have to collect a majority of workers signatures on cards in order to certify a union as their sole collective bargaining agent. This process would make the election open-ended and put workers at risk for harassment and intimidation if they chose not to sign the union authorization card. Nothing in this legislation prevents union officials from visiting workers at their home or going into their workplace in order to have them sign the card.



Unions favor card-check because their private-sector membership has decreased from over 20 percent of all workers in 1980 to less than 8 percent of workers today. Private-sector workers are clearly choosing not to join unions, and in turn unions are lobbying congress to change the rules to make it easier for them to win unionization elections. Last year card-check legislation passed the U.S. House of Representatives and received 51 votes in the Senate, which fortunately was nine votes short of a filibuster-proof majority. With a new congress and president, unions are again actively pursuing card-check legislation.

Many observers have weighed in on the negative economic impact card-check would have on the economy, including former General Electric CEO Jack Welch who said, "[It] could trigger a surge in unionization across U.S. industry and in time, a reversion to the bloated economy that brought America to its knees in the late 1970s and early 80s and that today cripples much of European business."⁴

Home Depot co-founder Bernie Marcus wrote the following about card-check in the Wall Street Journal, "America's competitiveness, jobs, and right to a secret ballot are at stake."

Over 70 years ago our nation's leadership made the mistake of changing labor laws in order to increase union membership and the result was sustained high unemployment rates. Now that we have the ability to see this mistake, our nation should not repeat it by enacting card-check legislation, which deprives workers of their right to a secret-ballot and hurts our economy.

Michael Hough is the Director of ALEC's Commerce, Insurance, and Economic Development & Public Safety and Elections Task Forces.

1 Shlaes Amity. The Forgotten Man. 2007.

2 Shlaes Amity. The Forgotten Man. 2007.

3 Sullivan Meg. UCLA Newsroom. August 8, 2010. <http://newsroom.ucla.edu/portal/ucla/FDR-s-Policies-Prolonged-Depression-5409.aspx?RelNum=5409>.

4 Bandow, Doug. Competitive Enterprise Institute. <http://cei.org/articles/card-check-key-union-control-us>.

Open Records Essential in Honest Government

By Hal Wick



When I first ran for the Legislature I determined that I would work to keep spending and taxes down. One of the ways to do that is to increase the ability of taxpayers to see where and how the government spends your money. In typical government bureaucratese, this concept of open government is called transparency.

I researched ways to increase openness in South Dakota state government before the 2008 session with the assistance of the American Legislative Exchange Council (ALEC). ALEC is a group of legislators from all over America that work for Jeffersonian principles of less government, lower taxes, free trade, and less intrusion into our lives and rights.

What I settled on was a HB1233, a bill that put information about state government spending on a searchable Web site <http://legis.state.sd.us/sessions/2008/DisplayBill.aspx>. I asked myself, “what better way to get help with watching the spending of our tax dollars than to invite 750,000 citizens to watch?” I introduced the bill that opened the state checkbook to public scrutiny. After vigorous debate, HB1233 passed the House 47-22 and the Senate 21-13.

The Governor was opposed to the bill and vetoed it, claiming that HB 1233 would cost \$650,000 and only 2 percent of the people would use it. However, even if 2 percent of the SD population looked at the site, there would be about 15,000 more people watching government spending and making government more accountable.

I knew these claims were wrong, because Gov. Sarah Palin of Alaska had been able to open Alaska’s government spending to access from the internet at no new cost to the government.

I led the effort to override our Governor’s veto, going against him and my own party’s leadership. I knew it would take the votes of 48 of the 70 House members to override the veto. After debate, the House members overrode the Governor’s veto by an overwhelming 61-8 vote (one legislator was absent).

Unfortunately, on the Senate side, the Republican leadership sided with the Governor and an absent Senator to defeat the override effort by a 22-12 vote (24 votes are needed to override). In legislative battles, a defeat is only temporary. I had lined up support for another effort at passing this legislation in 2009 when the Governors staff called to admit they had accepted the premise and purpose of HB 1233.

On September 12, 2008, in a tremendous victory for the citizens of South Dakota, the governor unveiled an open government website very similar to the one I had proposed in 2008 HB 1233.

That site, OPEN SD, <http://www.open.sd.gov/> will be the central portal to government information in South Dakota.

In addition to more than 180,000 pages of information already available on state government websites, OPEN SD provides financial information about state government, in a searchable format, which currently includes over 106,000 different financial records. Files for current budget, revenue, and staffing levels are available on OPEN SD, along with payroll, job classification, and vendor information.

The site is automatically updated in real-time; so when records change, so does the information. The important fact is that the people of South Dakota are the beneficiaries of this new openness in our government.

Hal Wick formerly represented District 12 in the South Dakota House of Representatives.

Health Policy Guide for State Legislators

By Dave Myslinski

ALEC and the Council for Affordable Health Insurance (CAHI) have recently released the 2009 edition of the *State Legislators' Guide to Health Insurance Solutions*. This annual publication highlights the current issues and trends legislators will likely encounter throughout their legislative session, and provides a solid foundation on which health care policy solutions can be crafted. It is designed with the busy schedules of legislators in mind, and created to provide legislators a simple tool that gives straightforward answers to relevant issues. It is in no way a comprehensive handbook, but should be considered as a starting point for your quest in making good health care policy.

This year's *Guide* illuminates facts that have been glossed over, or simply ignored, by the media. Contrary to popular belief, the number of uninsured Americans has actually fallen over the past year—not only has it dropped as a percentage of the population, but the real number has dropped by two million people. Expanding on that, the *Guide* reveals who makes up “the uninsured” and the reasons why they are part of that group—including the fact that approximately 20% of the uninsured are high-income earners, but make the deliberate decision to forego health insurance.

States have historically proven to be great laboratories for health policy—unfortunately not always with great success. The experiment Massachusetts is currently undergoing is a notable example of the failed public policy noted in the *Guide*. Since its implementation, the Massachusetts health reform plan has caused more harm than good. While the state has lowered its number of uninsured, nearly all of the gains were at the high price of government subsidies. Instead of going to the root cause of *why* some people do not currently have health

insurance, Massachusetts chose to force individuals to purchase it, regardless of desire, need, or ability.

An underlying cause of expensive health insurance lies in state laws that require a health insurance policy to cover specific procedures or providers, known as mandated benefits; more than 1,900 mandated benefits

currently exist in the states. By systematically reviewing mandates currently in place, as modeled in ALEC's *Mandated Benefit Review Act*, and by allowing mandates that are no longer relevant to expire, states can drastically improve their health insurance market. These actions would permit insurance companies to offer a wider variety of plans by adding

“mandate-lite” or mandate-free health insurance policies along with their current comprehensive plans.

States also have the ability to create an interstate market for health insurance. Several states have introduced legislation that would allow a citizen to purchase health insurance from a neighboring state with a more affordable health insurance market. ALEC's *Health Care Choice Act for States*, as noted in the *Guide*, provides language to assist legislators to craft a more vibrant health insurance market for their citizens.

While the *Guide* is not intended to be a stand-alone publication, it supplies a starting point from which legislators can work to find health policy solutions for their states.

Dave Myslinski is the Legislative Assistant for the Health and Human Services Task Force & the Telecommunications and Information Technology Task Force.



ALEC 101

By Rick Gowdy

With 2,000 legislative members across America the American Legislative Exchange Council (ALEC) is the nation's largest nonpartisan, individual membership association of state legislators.

ALEC's mission is to advance the Jeffersonian principles of free markets, limited government, federalism, and individual liberty among America's state legislators.

Included in ALEC's membership are hundreds of committee chairs, ranking members of committees and caucuses, and over one hundred legislators who hold leadership positions in their respective states. Many former ALEC members serve today as sitting governors and over 70 currently serve in the U.S. Congress.

Equally important to the mission of ALEC is the inclusion of the private sector in the policy making process. Through eight national policy Task Forces, three national meetings, and a variety of publications and smaller meetings, ALEC brings the states and the nation together to address the critical issues facing the states.

Meetings

ALEC conducts three national meetings each year held in different locations around the country. In 2009 the *Spring Task Force Summit* will be held May 1-2 in Memphis, TN, the *36th Annual Meeting* will be held July 15-18 in Atlanta, GA, and the *States & Nation Policy Summit* will be held December 2-4 in Washington, D.C.

These meetings bring together state lawmakers and business leaders from around the country to learn about the critical challenges facing the states in a variety of workshops and plenary sessions where they hear from the leading experts in public policy. The Task Forces also meet to discuss, debate, and formulate model legislation.

Task Forces

As state legislators, your participation on ALEC's Task Forces is vital to our mission. ALEC currently maintains the following eight Task Forces:

- Civil Justice
- Commerce, Insurance, and Economic Development
- Education
- Health and Human Services
- Natural Resources
- Public Safety and Elections
- Tax and Fiscal Policy
- Telecommunications and Information Technology

As a Task Force member, you will have the opportunity three times each year to propose model legislation, discuss current policy trends, engage with national policy experts, and network with state legislators from around the country.


ALEC staff also provides research assistance on ALEC policies, model legislation consultation, coalition references, and information that may be of help to you.

Each Task Force is comprised of both public and private sector members who work together to find solutions to the most pressing challenges facing the states. Each Task Force is also co-chaired by a state legislator and a member of the private sector who ensure meetings are productive venues conducted appropriately, and rooted in the principles outlined in ALEC's mission statement.

Membership

To become a member of ALEC you must complete and return the membership application located on the back cover. You can also obtain one at www.ALEC.org where you can also learn more about ALEC. Once you have joined, please contact your ALEC State Chair to be appointed to a Task Force and to learn about other opportunities. Please contact the ALEC Membership Department at (202) 466-3800 or ALECmembership@ALEC.org to learn more about ALEC and its activities. Thank you.

Richard Gowdy is Deputy Director of ALEC's Membership and Development department.



ALEC Task Forces Top Issues for 2009

CIVIL JUSTICE TASK FORCE

Director, Amy KJose
(202) 742-8510
akjose@alec.org

- Private Attorney Retention Sunshine Act and Resolution on Transparency in State Attorney General Conduct: These bills promote transparency and accountability in relations between state officials and private outside counsel.
- Private Enforcement of Consumer Protection Statutes Act: This act seeks to minimize abuse of state Consumer Protection Acts. The legislation would help to ensure that these state laws are used appropriately and effectively, and that the requirements to bring a consumer protection case are clear and fair.
- Transparency in Lawsuits Protection Act: This legislation requires legislatures to expressly create new rights to sue if they want to so create. It bars courts from implying them where they do not exist.
- Resolution In Support Of Preserving Reasonable Limits on Wrongful Death Actions: This resolution opposes legislation that would expand the availability of subjective non-economic compensatory damages under a wrongful death act or unreasonably expand the class of persons who may recover in the event of a wrongful death.

COMMERCE, INSURANCE, AND ECONOMIC DEVELOPMENT TASK FORCE

Director, Michael Hough
(202) 742-8530
mhough@alec.org

- Business Ombudsman Act and Professional Licensure and Certification Reform Act: These bills limit burdensome government regulations and licensing requirements of the private-sector.
- Statement of Principles on Toll Roads and Constitutional Amendment Restricting the Use of Vehicle Fees and Taxes for Highway Purposes: These bills are intended to improve transportation and ease traffic congestion.

- Union Financial Responsibility Act and Resolution Opposing “Card Check” and Forced, Compulsory Binding Arbitration: These bills promote workers’ rights and labor union reforms.

EDUCATION TASK FORCE

Director, Jeffrey William Reed
(202) 742-8525
jreed@alec.org

- Family Education Savings Account Act: Creates a tax deduction/credit for contributions made by state taxpayers into students’ Coverdell education savings accounts, which allow tax-free savings for both K-12 and higher education expenses.
- Higher Education Accountability Act: Expands access to higher education institutions’ public information for state lawmakers and taxpayers.
- Parental Choice Scholarship Program Act: Creates a scholarship program for children to attend the public or non-public elementary or secondary school of their choice.
- Alternative Certification Act: Expands access for well-educated, qualified individuals wishing to enter the teaching profession.

HEALTH AND HUMAN SERVICES TASK FORCE

Director, Christie Raniszewski Herrera
(202) 742-8505
cherrera@alec.org

- Health Care Choice Act for States: Expands consumer choice by allowing health insurance to be purchased across state lines.
- Affordable Health Insurance Act: Covers the uninsured with special tax incentives for Health Savings Accounts.
- Mandated Benefits Review Act: Puts an institutional check on mandates that increase health costs.
- Market-Based Medicaid Reform Act: Uses free-market, pro-patient incentives to reform public health insurance for the needy.

NATURAL RESOURCES TASK FORCE

Director, Matt Warner

(202) 742-8542

mwarner@alec.org

- Offshore Energy Resources Act: Represents an effort to open access to offshore exploration and production and establishes revenue-sharing for states.
- Private Property Protection Act: Provides for reasonable standards for takings and just methods of relief for those affected.
- Resolution Opposing the EPA's Plan to Regulate Greenhouse Gases under the Clean Air Act: Recognizes the regulatory cascade triggered by the use of the CAA to regulate greenhouse gases and its harmful economic effects.

PUBLIC SAFETY AND ELECTIONS TASK FORCE

Director, Michael Hough

(202) 742-8530

mhough@alec.org

- Mortgage Fraud Act: This bill modifies the Criminal Code by creating the crime of mortgage fraud.
- Citizen's Right to Know: Pretrial Release Act; Resolution in Support of the Second Chance Act; and Conditional Post Conviction Release Act: These bills provide for public information on released criminals, and provide support for anti-recidivism efforts.
- Resolution in Support of the Electoral College: This resolution protects smaller states against efforts to institutionalize a national popular vote for president.

TAX AND FISCAL POLICY TASK FORCE

Director, Jonathan Williams

(202) 742-8533

jwilliams@alec.org

- Taxpayer Transparency Act: Creates and maintains a searchable website detailing where, for what purpose, and what results are achieved for all taxpayer investments in state government.
- Super-Majority Act: Calls for a constitutional provision requiring all tax and license fee impositions and increases to be approved by a two-thirds vote of each legislative body in a state.



- Legislative Budget Audit Commission Act: Creates an independent commission charged with eliminating waste, fraud, abuse, and inefficiency in state government.
- Personal and Business Flat Tax Act: Establishes a single, flat-rate tax on personal and business income to encourage economic growth and vitality.
- 72-Hour Budget Review Act: Requires a 72-hour budget "timeout" prior to hearings or votes on appropriation and revenue bills.

TELECOMMUNICATIONS AND INFORMATION TECHNOLOGY TASK FORCE

Director, Seth Cooper

(202) 742-8524

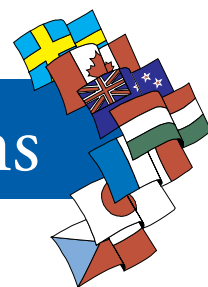
sethcooper@alec.org

- Model Legislation to Control and Monitor Child Predators: provides a variety of important requirements and enabling tools for industry, and law enforcement to better protect children using the internet.
- Breach of Personal Information Notification Act: provides procedures for notifying individuals of security breaches involving unencrypted personal information.
- Resolution Opposing Government Involvement in Commercial Negotiations: recognizes the importance of the free marketplace in allowing private parties—including cable television operators—to negotiate commercial agreements according to their own best perceptions of commercial value, rather than allow government intrusion into the negotiating process.



ALEC Meetings





International Relations

Liberty: Our Children's Rightful Inheritance

By Syed Kamall



Last year I had the honor of hearing President Bush speak at the annual ALEC meeting. On that occasion he said something that I will always remember, that is that even though liberty is an important value for Americans it is not solely an American value. I believe that liberty is a fundamental and universal value of mankind, but it

is a value that we must never cease fighting for because of the new threats to liberty which constantly emerge. As a Member of the European Parliament (MEP), I see more than my fair share of threats to liberty in the shape of the centralizing tendencies of the European Union (EU), and especially the unelected bureaucrats of the European Commission who have the power to initiate new legislation at will. So it is breath of fresh air to attend meetings of ALEC, which is so committed to fighting for individual liberty, limited government, and free markets.

"I was staying in the Taj Mahal hotel on the very night of the recent attacks on Mumbai. Thankfully I narrowly missed being caught in the line of fire but it reminded me of the heightened risks to freedom we have faced since 9/11."

In November 2008, I was staying in the Taj Mahal hotel on the very night of the recent attacks on Mumbai. Thankfully I narrowly missed being caught in the line of fire but it reminded me of the heightened risks to freedom we have faced since 9/11 in America and the 7/7 attacks in London – the city I represent in the European Parliament. I'm sure we all agree that the people of India need and deserve freedom from terror in the same way as Americans do; we all have a duty to help them. Incidents like the Mumbai attack remind us that the cause of freedom is one that transcends ethnicity, geography, faith, and wealth.

Liberty is also under threat from those who wish to use the credit crunch as an opportunity to degrade capitalism. We can only be truly free if we have the right to develop and sell our goods and services without unnecessary interference from government. Big government has to share much of the blame for letting the money taps overflow before all the bad debt became obvious and the markets started this painful correction.

So we must continue to fight unnecessary interference from Big Government, and it's not enough to stop it in just one country: we need to defend free markets across the world. If we fail to do so then we risk real economic collapse, a situation where some countries have free trade and prosperity but others are left behind.

As an international legislator, I would like to see ALEC's role as not just reminding American legislators about the cause of liberty but also increasingly through your international program to help spread liberty across the world. Never has this task been more vital to our future economic, security, and democratic needs. Our movement must be a global force that looks to every country in the world for people who can lead the cause of liberty.

I have traveled to some of the most restrictive countries in the world and in every one I have found many people who agree with us. Let us continue to befriend and encourage those people, they are vital to our future. We need them to find ways to keep their economies trading and to fight terrorism without falling into the trap of destroying civil liberties. These are the great challenges of our age.

Finally, I would like to take this opportunity to thank ALEC for the important work it does and also put on record what a great honor it was to receive your 2008 International Legislator of the Year award. It serves as a constant reminder that our greatest duty is to pass on genuine freedom and liberty to our children, in whatever part of this small world that they may choose to lead their lives.

Syed Kamall is a Conservative Member of the European Parliament representing London.

Solutions for the States:

Stopping Online Child Predators

By Seth Cooper

The internet is the great driving-force of the 21st century economy. By linking more people at fast-improving speeds and providing broader access to ever-increasing information, the internet is also improving our quality of life. But technology doesn't change our human nature. Consequently, news stories profile rare but tragic instances where criminals misuse modern communication to harm children. One unfortunate response to those stories is calls for internet regulation that stifles the free speech and free enterprise of all people who use the world wide web. ALEC took all of these concerns into account when it adopted its *Model Legislation to Pursue and Control Online Child Predators* (2008).

Empowers Parents to Control their Children's Internet Usage. The ALEC model requires internet access providers to make available to its subscribers within the state a reasonably and commercially available product or service that enables the subscriber to control their children's use of the internet. Access to such technology empowers parents to block, restrict, or monitor their child's use of the internet.

Educates Children for Safe Online Experience. The ALEC model also requires a state's Department of Education to propose model curricula for online safety to local school districts in the state. Local school districts are required to annually teach online safety in the classroom to children in grades 3 or above. The Commonwealth of Virginia, for instance, has recently approved online safety curricula consistent with the ALEC model.



Increases Sex Offender Controls Post-Incarceration.

Under the ALEC model, state court judges are authorized to supplement existing sentences for persons convicted of certain sexual offenses with special sentences for supervision. As part of their special sentences, parolees can be required to undergo monitoring of their in-going and out-going e-mail, to undergo supervision of websites they visit and content they access, and to be subjected to unannounced inspections of the contents of any device with internet access. The ALEC model authorizes a judge to impose sentence restrictions on a convicted sex offender's use of the internet where the offender's conviction involves use of the internet.

In addition to controls through sentencing, the ALEC model also provides additional controls through sex offender registration. If a state already maintains sex offender registries containing physical description and location information, the ALEC model specifically requires that state to collect and display an offender's e-mail addresses and online username. Such e-mail

addresses and usernames must be made available to the public under the same terms set forth in the state's sex offender registry law.

Enhances Law Enforcement Cooperation with

Online Businesses. Where law enforcement investigates possible sex offenses, the ALEC model empowers them to preserve important evidence. Upon request from law enforcement investigating a possible sex offense involving a child, interactive computer service providers are required to take all necessary steps to preserve records and other evidence in its possession pending the issuance of a judge's order or other legal process. Businesses that receive such requests need not turn over such information immediately upon request, but must preserve such records for a renewable period of 90 days. That way, important evidence can be preserved until such time as an interactive computer service provider receives the appropriate subpoena or warrant that entitles law enforcement to obtain that evidence [also, law enforcement can issue requests for information without a formal subpoena when there is immediate danger of death or serious bodily harm]. In addition, the ALEC model widens the scope of online businesses that must report images of child porn to the Cyber Tip Line at the National Center for Missing & Exploited Children.

Establishes New Categories of Crimes. The ALEC model also empowers law enforcement by establishing new crimes that target sex offenders' misuse of modern-day technology. In particular, the ALEC model makes it a crime in the state to use a computer to encourage a child to engage in or observe sexual activity as a child. It also makes it a crime to use a computer to make sexually suggestive statements and to lure children into face-to-face meetings. Finally, the ALEC model makes it a crime for a person to lie about his age when enticing a child into criminal sexual conduct. While existing criminal laws can apply to criminal conduct taking place online in many cases, courts typically apply criminal laws only to conduct clearly prohibited by such laws. Establishing crimes that reflect such misuse of new technologies puts law enforcement on surer footing in forcefully prosecuting offenders.

In 2009, legislators would do well to consider ALEC's model. It offers a comprehensive approach to addressing online child safety concerns, consistent with constitutionally-protected liberty.

Seth Cooper is Director of ALEC's Telecommunications and Information Technology Task Force.



GETTING SET FOR NEXT MONTH'S DTV TRANSITION

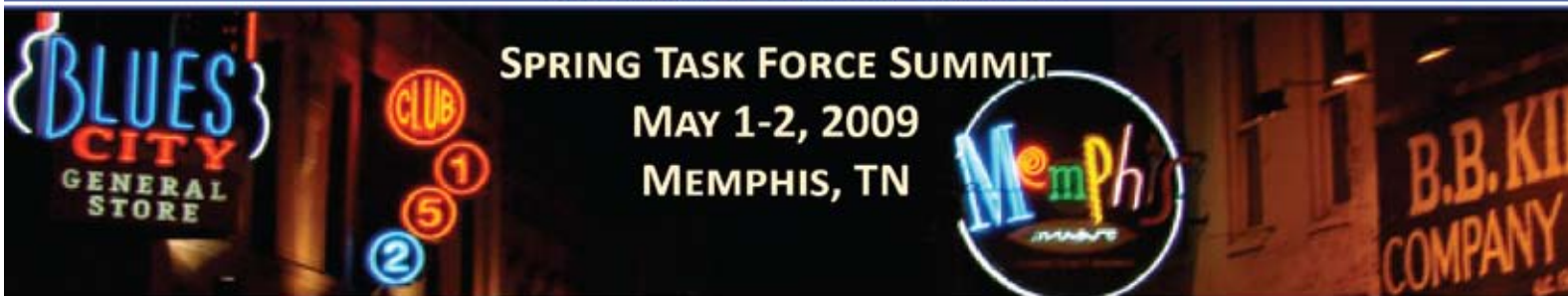
On February 17, 2009, all full-power TV stations in the US begin broadcasting exclusively in digital instead of analog. Consumers who use antennas and have older TV sets who do not upgrade will find that their TVs no longer work.

Consumers who rely on antennas and older TV sets can take advantage of the federal converter box coupon program. Every household in the United States can request up to two coupons worth \$40 each toward the purchase of basic converter boxes at local consumer electronics retail stores. Rabbit-ears antennas must still be used along with the converter boxes to receive digital TV signals. Consumers can apply for coupons at www.dtv2009.gov or by calling 1-888-DTV-2009. Importantly, ordered coupons expire 90 days after they are mailed, and each coupon has an expiration date printed on it.

As a member of the DTV Transition Coalition, the American Legislative Exchange Council is helping ensure that consumers are prepared for the switch to DTV.



UPCOMING ALEC MEETINGS




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Memphis

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36TH ANNUAL MEETING
JULY 15-18, 2009
ATLANTA, GA



STATES & NATION POLICY SUMMIT
DECEMBER 2-4, 2009
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With 2,000 members, the American Legislative Exchange Council (ALEC) is the nation's largest nonpartisan, individual membership association of state legislators. In addition, with more than 300 private sector members, ALEC is one of America's most dynamic public-private partnerships. ALEC provides its public and private sector members with a unique opportunity to work together to develop policies and programs that focus on limited government, free markets, individual liberty, and federalism.

Meetings

ALEC holds three substantial meetings per year, bringing together legislators from all 50 states to network with each other, learn about best practices, and develop principled model legislation. Scholarships for meeting registration, hotel, and travel are available to most legislators for these meetings.

- The ALEC Annual Meeting, held each summer, has grown to become one of the nation's most prestigious state-level conferences. Nearly 2,000 state legislators, business executives, and public policy experts gather for four days to discuss the issues and develop policy. Each meeting features 35 to 40 workshops, plenary sessions, and task force meetings, as well as numerous networking opportunities.
- The States and Nation Policy Summit, held in the winter, is a three-day conference of intensive educational sessions addressing issues that will be at the top of state legislative agendas the following year.
- The Spring Task Force Summit, held each spring, is an intensive three-day meeting of ALEC's task force members, designed to keep members abreast of new developments in the states, and to set the Task Force agendas for the upcoming year.
- Issue Academies are held around the country, several times throughout the year, and deal with specific topic areas. These two-day policy retreats are by-invitation-only for ALEC legislators and expenses are covered entirely by scholarship funds.

Model Legislation

ALEC Members can join one of ALEC's eight National Task Forces to draft, introduce, debate, and vote on model legislation. To date, ALEC members have approved over 500 model bills, resolutions, and policy statements, all available online. The Task Forces are:

- Civil Justice
- Commerce, Insurance, and Economic Development
- Education
- Health and Human Services
- Natural Resources
- Public Safety and Elections
- Tax and Fiscal Policy
- Telecommunications and Information Technology

ALEC's policy staff provides research, policy analysis, scholarly articles, reference materials, legislative bill tracking, and expert testimony on a wide spectrum of issues—effectively serving as the “state legislators’ think tank.” In past years, ALEC legislators have introduced over 1,000 pieces of legislation based on ALEC models, approximately 20 percent of which were enacted.

Publications

ALEC members receive several publications each year dealing with education reform, tax policy, health care reform, and legal reform as well as various state rankings and comparisons, state-specific legislative alerts, and issue specific briefs. In addition, ALEC members receive our magazine and official journal, *Inside ALEC*.



Legislator Membership Application

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